



Memorandum

TO: HNVF Advisory Committee
SUBJECT: REVISED HNVF FUNDING
RECOMMENDATIONS

FROM: Jay Castellano
DATE: April 30, 2008

RECOMMENDATION

Approve the Parks, Recreation and Neighborhood Services (PRNS) revised Healthy Neighborhoods Venture Fund (HNVF) funding recommendations for FY 2008-2009.

BACKGROUND

In the Mayor's March Budget Message for fiscal year 2008-2009, the Mayor requested proposals for closing the City's budget deficit. To support this effort, the City Manager's 2008-09 Proposed Operating Budget includes funding shifts that involve HNVF and the San Jose After School Program.

The San José After-School Program includes three levels of service:

- Level 1: General tutoring and homework assistance (213 sites)
- Level 2: Integration of traditional recreation with the homework assistance (24 sites)
- Level 3: Comprehensive programs offered with a linkage to State curriculum standards (9 sites)

Prior to 2006, homework centers were funded exclusively by HNVF, as State funding was not available at the time. San José schools became eligible for State funding in FY 2006-2007 through the After School Education and Safety funds (ASES). Although the award amounts vary by types of schools, the average amount received through the State is \$116,000. In 2007-2008, 72 of the Homework Center (Level 1) sites received both HNVF and ASES funding.

ANALYSIS

The funding shift scenarios include using HNVF funds (beyond the funding allocation approved by the HNVF Advisory Committee on April 17, 2008) in a way that best complements State funding and contributes to savings in the General Fund, all while avoiding any impact to HNVF grantees.

The following proposals are recommended:

- Shift funding for Level 2 sites (integrated recreation, literacy and math enrichment after school programs) from the General Fund to HNVF. As a result of this action, 15.33 Part-Time Recreation Leaders are proposed to be shifted (\$516,575). In 2008-09, HNVF would fund the Level 1 sites (after school homework assistance) as well as Level 2 sites;

- Shift the cost of 2.0 Analysts from the General Fund to HNVF (\$225,197). These positions provide oversight of the Homework Center and After School locations. This action aligns funding with the activities performed;
- Reduce HNVF funding for Homework Centers (Level 1 sites) by \$755,991 beginning in 2009-2010.

Currently, 72 Level 1 sites receive both State ASES grants and HNVF funds (Homework Centers) to provide after school programming. There are approximately 8,500 registrants at the 72 sites with average daily attendance estimated to be between 2,000 and 2,500 students. By reducing homework center funding for these 72 sites in 2009-2010, staff would have 2008-09 to work through the School-City Collaborative to identify strategies to mitigate the impacts.

It is important to note that the State significantly increased ASES funding in 2007-08 through the passage of Proposition 49. The new ASES funding for schools affords the opportunity to reconsider how to best use HNVF funds for youth programs. As part of the 2009-2010 budget process, staff will provide an updated analysis of this proposal's impact based on the discussions with school districts. It is anticipated that this analysis will include an assessment of all after-school program funding (including City, State and Federal funds) and strategic recommendations for best leveraging of all funding sources in a way that addresses stakeholder concerns and ensures continued support for academically low-performing school sites.

2008-2009 Revenue:	\$10,400,000
Off the Top:	
• Homework Centers	(\$2,465,000)
• Children's Health Initiative	(\$2,100,000)
• Administration	(\$1,125,197)
◦ HNVF	
◦ Homework Centers	
◦ After-School Programs	
CBO Funding (Rollover)	(\$4,001,944)
Level 2 After School Programming	(\$516,575)
Evaluation Consultant	To be determined
Smoking Ban Outreach	(\$50,000)
Inter-Fund Loan Interest Payment	(\$5,000)
Total 2008-09 HNVF Allocation	(\$10,263,716)
Unallocated Amount for HNVF Fund Balance	\$136,284

It is significant to point out that the Level 1 and 2 programming aligns with the Strategic and Allocation Plans approved by the HNVF Advisory Committee.

NEXT STEPS

As part of the FY 2009-2010 budget process, staff will provide an updated analysis of the proposal's impact based on the discussions with school districts. It is anticipated that this analysis will include strategies for facilitating implementation, mitigating impact, and continued support for low-performing school sites.

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JAY CASTELLANO, Deputy Director
Parks, Recreation and Neighborhood Services